



House of Representatives

General Assembly

File No. 386

February Session, 2002

Substitute House Bill No. 5402

House of Representatives, April 9, 2002

The Committee on Judiciary reported through REP. LAWLOR of the 99th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CLARIFYING THE PENALTY ON APPLICATIONS FOR FINANCIAL ASSISTANCE FROM QUASI-PUBLIC AGENCIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Public act 01-184 is repealed and the following is
2 substituted in lieu thereof (*Effective from passage*):

3 Any quasi-public agency, as defined in section 1-120, as amended,
4 shall require [any application, agreement, financial statement,
5 certificate or other writing submitted to such quasi-public agency with
6 respect to any loan, mortgage, guarantee, investment, grant, lease, tax
7 relief, bond financing or other extension of credit or financial
8 assistance made or provided by such quasi-public agency and that
9 provides information on which the decision of such quasi-public
10 agency was based, to be signed under penalty of false statement as
11 provided in section 53a-157b] any applicant for financial assistance to
12 submit material financial and credit information to such quasi-public
13 agency in any application, related financial certificate or affidavit on

14 which such quasi-public agency is reasonably expected to rely in
 15 acting upon such application, and any other material information
 16 submitted in writing to such quasi-public agency in connection with
 17 any application for financial assistance on which such quasi-public
 18 agency is reasonably expected to rely, shall be submitted under
 19 penalty of false statement as provided in section 53a-157b. For
 20 purposes of this section, "financial assistance" means any loan,
 21 mortgage, guarantee, investment, grant, lease, tax relief, bond
 22 financing, extension of credit or other form of financial assistance
 23 provided by such quasi-public agency.

This act shall take effect as follows:	
Section 1	<i>from passage</i>

Statement of Legislative Commissioners:

New language was reorganized for clarity.

CE *Joint Favorable Subst. C/R*

JUD

JUD *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill clarifies that any material information submitted in writing by an applicant for financial assistance to a quasi-public agency in connection with financial assistance provided or to be provided by such quasi-public agency must be submitted under penalty of false statement under CGS Section 53a-157b (false statement in the second degree.) Such an offense is a class A misdemeanor that is punishable by up to one year imprisonment and a fine of up to \$2,000. During FY 01 there were 211 offenses related to false statements in the second degree. Revenue collection from the offenses totaled about \$4,950. The bill is not expected to affect the number of offenses or the amount of revenue collected from fines.

OLR Bill Analysis

sHB 5402

AN ACT CLARIFYING THE PENALTY ON APPLICATIONS FOR FINANCIAL ASSISTANCE FROM QUASI-PUBLIC AGENCIES**SUMMARY:**

This bill requires quasi-public agencies to subject applicants for financial assistance to the statutory penalty for false statements for all material information they submit that the agency uses to make a decision. The new requirement covers material financial and credit information in any application, related financial certificates or affidavits, and any other material information submitted in writing on which the quasi-public agencies rely in their decision making process.

Under current law, the penalty requirement applies only when the applicant is required to sign the application, agreement, financial statement, certificate or other writing the agencies use.

Under current law and the bill, the penalty for false statement requirement applies to those who complete applications for loans, mortgages, guarantees, investments, grants, leases, tax relief, bond financing, or other types of credit or financial assistance. The bill specifies that “financial assistance” means any loan, mortgage, investment, grant, lease, tax relief, bond financing, extension of credit, or other form of financial assistance provided by the agencies.

EFFECTIVE DATE: Upon passage

BACKGROUND***Quasi-Public Agencies***

Quasi-public agencies are: Connecticut Development Authority, Connecticut Innovations, Inc., Connecticut Housing Finance Authority, State housing Authority, Health and Educational Facilities Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Resource Recovery Authority, Connecticut Hazardous Waste Management Service, Connecticut Coastline Port Authority,

Capital City Economic Development Authority, and the Connecticut Lottery Corporation.

Penalties for False Statement

The penalty for making false statements is imprisonment for up to one year, a maximum \$2,000 fine, or both. A person is subject to the penalty if he:

1. intentionally makes a false statement under oath or on a form warning him that these statements are punishable,
2. intends the statement to mislead a public servant performing his duties, and
3. does not believe that the statement is true.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute Change of Reference

Yea 25 Nay 0

Judiciary Committee

Joint Favorable Report

Yea 40 Nay 0